

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**  
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 4 — 0 0 1

2. STATE:

Puerto Rico

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

March 25, 2004

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 431.60; 456.2; 50FR 15312 et.al;  
42 CFR 438.356(e); 438.354; 438.356 (b) (d)

7. FEDERAL BUDGET IMPACT:

a. FFY \_\_\_\_\_ \$ \_\_\_\_\_  
b. FFY \_\_\_\_\_ \$ \_\_\_\_\_

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Pages 46 and 50a of the text

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

Page 46 and 50a of the text

*Puerto Rico (04-001)*  
*Approved: 04/20/04*  
*Effective: 03/25/04*

10. SUBJECT OF AMENDMENT:

BBA Managed Care revisions: Utilization/ Quality Control  
(EQRO)

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Not submitted to Governor's Office

12. SIGNATURE OF STATE AGENCY OFFICIAL:

*Johnny Rullán*

13. TYPED NAME:

Johnny Rullán, MD FACPM

14. TITLE:

Secretary of Health

15. DATE SUBMITTED:

March 20, 2004

16. RETURN TO:

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

**APR 20 2004**

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

**MAR 25 2004**

20. SIGNATURE OF REGIONAL OFFICIAL:

*Sue Kelly*

21. TYPED NAME:

Sue Kelly

22. TITLE: Associate Regional Administrator  
Division of Medicaid and State Operations

23. REMARKS:

Revision: HCFA-PM-91-10 (MB)  
DECEMBER 1991

**OFFICIAL**

State/Territory: [Puerto Rico]

Citation 4.14 Utilization/Quality Control

42 CFR 431.60 (a) A Statewide program of surveillance and  
42 CFR 456.2 utilization control has been implemented that  
50 FR 15312 safeguards against unnecessary or inappropriate  
1902(a)(30)(C) and use of Medicaid services available under this  
1902(d) of the plan and against excess payments, and that  
Act, P.L. 99-509 assesses the quality of services. The  
(Section 9431) requirements of 42 CFR Part 456 are met:

x Directly

x By undertaking medical and utilization review  
requirements through a contract with a Utilization and  
Quality Control Peer Review Organization (PRO)  
designated under 42 CFR Part 462. The contract with the  
PRO —

- (1) Meets the requirements of §434.6(a):
- (2) Includes a monitoring and evaluation plan to ensure satisfactory performance;
- (3) Identifies the services and providers subject to PRO review;
- (4) Ensures that PRO review activities are not inconsistent with the PRO review of Medicare services; and
- (5) Includes a description of the extent to which PRO determinations are considered conclusive for payment purposes.

1932(c)(2)  
and 1902(d) of the  
ACT, P.L. 99-509  
(section 9431)

x A qualified External Quality Review Organization performs an annual External Quality Review that meets the requirements of 42 CFR 438 Subpart E each managed care organization, prepaid inpatient health plan, and health insuring organizations under contract, except where exempted by the regulation

TN #

**04-001**

Supersedes TN #

**94-1**

Effective Date **MAR 25 2004**

Approval Date **APR 20 2004**

Revision: HCFA-PM-91-10 (MB)  
December 1991

**OFFICIAL**

State/Territory: [Puerto Rico]

Citation 4.14 Utilization/Quality Control (Continued)

42 CFR 438.356(e)

For each contract, the State must follow an open, competitive procurement process that is in accordance with State law and regulations and consistent with 45 CFR part 74 as it applies to State procurement of Medicaid services.

42 CFR 438.354

42 CFR 438.356(b) and (d)

The State must ensure that an External Quality Review Organization and its subcontractors performing the External Quality Review or External Quality Review-related activities meets the competence and independence requirements.

Not applicable.

TN #

**04-001**  
**94-1**

Supersedes TN #

Effective Date MAR 25 2004

Approval Date APR 20 2004